Leicestershire County Council

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 10 June 2026.

PRESENT

Mrs D. Taylor CC (in the Chair)

Mr. J. Boam CC
Mr. M. Bools CC
Mr. A. Innes CC
Mr. P. King CC
Mrs. K. Knight CC
Mr. M. T. Mullaney CC
Dr. D. North CC
Mr. B. Piper CC
Mr J. Poland CC
Mr. K. Robinson CC
Mr. C. A. Smith CC

1. Appointment of Chairman.

RESOLVED:

That it be noted that Mrs D. Taylor had been appointed Chairman of the Scrutiny Commission in accordance with Article 6.05 of the County Council's Constitution.

2. Appointment of Deputy Chairman.

RESOLVED:

That it be noted that Mr M. Mullaney CC had been appointed Deputy Chairman of the Scrutiny Commission in accordance with Standing Order 29 of the County Council's Constitution.

3. Minutes or ordinary meeting held on 22 April 2026.

The minutes of the meeting held on 22 April 2026 were taken as read, confirmed and signed.

4. Minutes of Special Meeting held on 11 May 2026.

The minutes of the special meeting held on 11 May 2026 were taken as read, confirmed and signed.

5. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

6. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

7. Urgent Items.

There were no urgent items for consideration.

8. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mrs Taylor CC declared a non-registerable interest in agenda item 12 (Annual update on the Traded Services Strategy, School Food Service and Beaumanor Hall), as Beaumanor Hall was located in her division.

9. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

10. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 35.

11. Provisional Revenue and Capital Outturn 2025/26.

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to set out the provisional revenue and capital outturn for 2025/26. A copy of the report marked 'Agenda item 11' is filed with these minutes.

Introducing the report, the Lead Member for Resources advised that the outturn position represented good stewardship of the Council's finances and provided some headroom, an underspend now having been achieved.

Arising from discussion, the following points were made:

(i) The Dedicated Schools Grant (DSG) comprised of three separate funding blocks; funding for schools, early years and high needs. It was noted that whilst the high needs block had a forecasted deficit of £99m as at the end of the financial year, the other two were underspent. As each funding block was ring fenced, the underspends could not be used to address the high needs deficit.

(ii) Members noted with concern that the Government's methodology would use the net DSG deficit when calculating the level of funding the Council would receive. This would mean that underspends in other blocks would reduce the level of grant support received and so would not address the deficit but in fact, make the position worse. Members noted that lobbying was taking place through bodies including the County Councils Network and County Treasurers to seek to amend this. It was suggested that, if Government intended to use underspends in other blocks to offset the deficit, there should also be greater flexibility to enable those underspends to be applied where pressures existed.

(iii) Members asked what would happen to future high needs block deficits, in the context of local government reorganisation. It was explained that Government support had been confirmed in relation to the deficit as at 31 March 2026, but further guidance had not yet been received regarding future deficits, other than indications that support would be 'fair and proportionate'. The Commission noted that the statutory override was due to remain in place until 2028 and that if local government reorganisation proceeded, any deficit would need to be apportioned between successor authorities in accordance with Government guidance issued at that time.

(iv) In response to a question, members were advised that reserves of approximately £60 million were held against the forecasted high needs block deficit of £99 million.

(v) Regarding the use of unregistered placements to house children in care, it was explained that these were used only when no other suitable options were available. The costs reflected issues of supply and demand within the care market and the limited availability of placements for children the complex care needs, including where intensive individual care was required.

(vi) Members discussed recruitment-related underspends and whether the use of agency staff and temporary contractors might be more expensive. It was explained that a range of approaches were used to manage vacancies. Where roles were essential, agency cover might be required, although this did not carry all of the same employment costs (e.g. holiday and sick pay and pension costs). In other cases, services might manage vacancies through other arrangements, including overtime or honoraria payments to existing staff, where appropriate.

(vii) In response to a question regarding the Pan Regional Transport Model operated by the Growth, Environment and Transport Department, it was explained that the model was used to understand traffic flows when developing road schemes and that the Council could generate income by making it available to other councils. Funds were held to support future refreshes of the model.

(viii) Members queried delays in the SEND capital programme where land was Council owned. It was explained that, even where land was owned by the Council, site investigations, planning and other procedural requirements still had to be undertaken and often subject to timescales outside the Council's control.

(ix) Members questioned the extent to which savings identified in the Efficiency Review relied upon demand in high-cost services naturally reducing or stabilising. The Lead Member for Resources stated that the review did not rely on a natural flattening in demand but included initiatives designed to specifically reduce demand and to better support people in lower-cost provision. It was acknowledged, however, that the measures proposed would take time to deliver and so savings would be spread across the full period of the MTFS.

(x) Members expressed concern regarding delays in the delivery of the Lutterworth East Strategic Development Area scheme, noting the growing need for housing and infrastructure in the area. It was explained that the development process was complex, and future infrastructure would be dependent on delivery of the B8 employment land forming part of the site.

(xi) A member suggested that large capital projects should be reviewed once completed, particularly the Melton Mowbray Distributor Road (MMDR), given the rise in costs over the life of such a long term scheme. The Director advised that a review had already been initiated and that consideration would be given to how the findings could be shared with members. It was noted that previous reports to the Cabinet had set out the reasons why additional funding had been required at each stage and that factors such as weather, inflation and site conditions had all contributed. It was suggested that a report to scrutiny bringing this information together to identify lessons learnt for future schemes would be helpful. The Chairman of the Growth, Highways and Transport Overview and Scrutiny Committee reported that it had also recently considered a report regarding the delivery of the MMDR which could be shared with Commission Members.

(xii) A member asked about the lack of use of the allocated central contingency of £8m and if it was being suggested that this would no longer be needed. It was explained that the proposed use related only to possible risks in 2025/26 which had fortunately not come to fruition. However, whilst not needed in 2025/26, it did not remove the need to retain risk contingencies for future years.

(xiii) Members discussed the Leicestershire County Council Investment Portfolio, particularly exposure to the office market and voids. The Lead Member for Resources advised that the Council was aware of changing market conditions, including lower than expected office use, and was looking to move away from over-reliance on that sector. The Director confirmed that the Strategy was reviewed regularly as part of the MTFS. The Commission noted that, although office sector performance had been weaker than anticipated, the overall portfolio had performed ahead of expectations. The Lead Member further emphasised that returns did not show the whole picture, and that other benefits, particular relating to the rural estate were delivered through the portfolio.

(xiv) Members queried demand-led overspends and the level of confidence officers had in future forecasts. It was explained that demand and future growth were considered as part of the MTFS planning process, and that demand management activity in adult social care and children's services was beginning to have an impact.

RESOLVED:

(a) That the provisional revenue and capital outturn for 2025/26 be noted;

(b) That consideration be given to how the lessons learned from the delivery of long term, large scale capital schemes, including the Melton Mowbray Distributor Road, with particular focus on the financial progression of the scheme, should be reported to scrutiny.

12. <u>Change to the Order of Business.</u>

The Chairman sought and obtained the consent of the Commission to vary the order of business from tat set out on the agenda for the meeting.

13. Leicestershire County Council's Customer Experience Strategy - Update on Delivery Progress.

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to advise of progress in delivering the Customer Experience Strategy and on overall customer experience performance across the Council. A copy of the report marked ‘Agenda item 13’ is filed with these minutes.

Arising from discussion, the following points were made:

(i) Members welcomed improvements in the Customer Service Centre, noting that responses to councillors appeared to be quicker and that performance had improved. However, members continued to raise concerns about the Council’s website, particularly the ease with which residents could find information and complete tasks online.

(ii) Members noted that an artificial intelligence chatbot was being tested internally and in selected service areas, including the Customer Service Centre and service desk. The technology had been effective in helping staff access information quickly and had supported call handling in sensitive circumstances. The Director confirmed that permission would shortly be sought to make the chatbot live for public use, following consideration by relevant customer and internal panels. The initial purpose would be to help residents locate information on the website more easily. Further development could include enabling the system to assist residents in completing actions, rather than simply directing them to forms.

(iii) Members emphasised the need for proper safeguards around the use of artificial intelligence. Officers explained that the Council’s approach was based on ensuring that decisions remained traceable, accountable and transparent, and that artificial intelligence should not make decisions affecting residents without human oversight. A Member suggested that involving councillors in testing improvements to the website and chatbot would be beneficial as they often had to support residents with this. The Director undertook to arrange a briefing for all members and to seek feedback.

(iv) Members raised the potential for artificial intelligence to be considered as a separate scrutiny item or through a member working group, including its wider opportunities, risks and implications for the workforce. The Lead Member agreed that officers should consider how members could be involved in this area of work and the Director undertook to consider this further.

(v) In response to concerns regarding the impact local government reorganisation could have on customer access, it was noted that work was taking place with district councils to better understand the services they currently provided to support the future design of customer services under whichever structure was ultimately adopted. The Director reported that learning from authorities that had already undergone similar reorganisations would form part of this work. The Commission noted that customer protection would be a key area of work during any transition.

(vi) It was noted that overall call volumes included calls made directly to officers as well as those handled by the Customer Service Centre. Calls handled by the Customer Service Centre had higher answer rates. Resource planning was undertaken, and in some circumstances, such as times of severe weather, call volumes could increase significantly, and priorities would need to be managed to accommodate this. Self-service options and a call-back facility were also being explored.

(vii) Members asked about follow-up processes where residents needed to query a response. The Director advised that there were processes to enable customers to get back to the relevant adviser, usually through a contact number and reference number. It was noted that, in some Highways cases, more than one reference number might be used, although either should allow officers to locate the original enquiry.

(viii) Members noted a reduction in visits to County Hall and were advised that visits were monitored and the fall in numbers could be for a wide range of reasons. It was suggested that improved online access would have contributed to reduced face-to-face demand, although fluctuations during the year were also likely.

(ix) Members welcomed the reduction in complaints and the overall improvements achieved since the Strategy had been introduced.

RESOLVED:

(a) That the update on progress in delivering the Customer Experience Strategy and overall customer experience performance across the Council be noted and welcomed;

(b) That the Director be requested to enable members to preview and test the website improvements and the proposed use of an artificial intelligence chatbot, with feedback to be sought from members;

(c) That the Director be requested to give further consideration to scrutiny involvement in the Council's use of artificial intelligence.

14. Annual update on the Traded Services Strategy, School Food Service and Beaumanor Hall Engagement.

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to provide an update on the performance of Leicestershire Traded Services (LTS) during 2025/26 and the progress towards existing the School Food service in 2026. The report also provided an update on the public engagement activity undertaken regarding the future of Beaumanor Hall. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion, the following points were made:

(i) Members commented that, while Beaumanor Hall was an important historic asset with considerable potential, the Council might not be best placed to operate it as a hospitality or commercial venue, particularly given the financial pressures facing the Authority and the likely future repair and maintenance costs for what was a listed building.

(ii) The importance of consulting local residents and interested groups was emphasised, noting the passion locally for Beaumanor Hall and the need to understand the wider value of the site to communities. Members suggested that specialist hospitality and business input would be important in developing realistic options.

(iii) Members noted that the engagement exercise undertaken was the first stage in building the business case for the future of Beaumanor Hall. Feedback from the public, local residents, businesses and relevant sectors would be used to inform options. It was acknowledged that investment would be required for as long as the Council owned the asset, although the level of investment would depend on the future operating model agreed upon.

(iv) Members sought further information regarding annual visitor numbers to the Hall and where they came from. A Member further asked what the cost or subsidy to the Council was per visitor. The Director advised that visitor data was more readily available for the education offer and that around 26,000 users came from the education sector across Leicestershire and further afield. Use of the Hall for weddings and conferences was, however, more difficult to analyse in the same way. He Director undertook to look into this and provide further details to the Commission after the meeting.

(v) In response to a question about whether Beaumanor Hall could ever make a profit or cover its costs, the Director advised that continuing with the current model would be unlikely to achieve this. Engagement and work with business experts indicated that the site would need a more focused offer and a revised operating model. It was noted that some shortlisted ideas were being explored and due diligence with specialists was underway. Members stressed the importance of early visibility and input in the proposed business case by scrutiny, given the current financial position of the Council. It was noted that proposals would likely be presented to the Adults and Cultural Services Overview and Scrutiny Committee in the Autumn but that the Scrutiny Commissioners would be invited to participate in that discussion.

(vi) The Lead Member for Resources acknowledged that the financial position was challenging but stated that the Council owed it to the County to consider all options properly before determining the future of the Hall. Early business modelling had identified potential opportunities, including use of the wider site, possible commercial uses, accommodation linked to weddings and events, and options that might support public-private partnership arrangements.

(vii) Some members expressed disappointment at the decision to cease the School Food Service, referring to its quality and the fact that it had previously generated a surplus. It was, however, acknowledged that the service operated in a challenging environment, with schools increasingly making decisions based on affordability and price and that whilst there had been some improvement during this financial year, the likelihood that more schools would seek alternative provision remained making the Service unsustainable for the long term.

(viii) In response to questions regarding staff redundancies arising from the closure of the Service, it was noted that out of around 800 frontline staff, the maximum number of redundancies was expected to be two, with work continuing to support redeployment or transfer to new providers. In relation to management and administrative posts, a maximum of 11 redundancies was anticipated, with redeployment support continuing. The Director advised that the final cost of redundancies could not be confirmed until processes had concluded.

RESOLVED:

(a) That the performance of Leicestershire Traded Services (LTS) during 2025/26 and progress towards exiting the School Food Service in 2026 be noted;

(b) That the Director be requested to provide further information on Beaumanor Hall visitor numbers and the cost or subsidy to the Council was per visitor;

(c) That the Scrutiny Commissioners be invited to join consideration of the proposed business case for Beaumanor Hall item when this was considered by the Adults and Cultural Services Overview and Scrutiny Committee.

15. Overview and Scrutiny Annual Report 2025 - 2026.

The Commission considered the draft Overview and Scrutiny Annual Report which summarised some of the key highlights of scrutiny work undertaken during 2025/26. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

RESOLVED:

That the draft Overview and Scrutiny Annual Report 2025/26 be approved and submitted to the County Council in July 2026.

16. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on Wednesday, 2 September 2026 at 10.00am.

10.00 am - 12.06 pm
10 June 2026

CHAIRMAN